

AN ANALYTICAL STUDY ON CSR PRACTICES FOR THE SUSTAINABLE GROWTH OF POWER SECTOR COMPANIES

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ABSTRACT

Researchers visualize India to be the Powers sector's largest economy with the aid, by the year 2050. Power division being the most important thing in the vicinity of an international locations' economic system, India desires to develop its industries and infrastructure. Industrialization of power location-based monetary improvement may cause a bad effect on the environment, though the industrial boom is expected. Steps taken for this will have an effect on the social and environmental section of the financial gadget. Consequently, these corporations of power sector need to adopt and put into effect corporate social responsibility so that they can fulfill their responsibilities in the direction of society and environment. The concept of Corporate Social Responsibility, i.e. CSR, is a concept in which corporations incorporate the social & environmental issues into their enterprise's obligations on their own. Power producing businesses in developing countries, globally, for instance, India the world's 'manufacturing floors' – are below sizeable investigation from several events. Strategically, CSR is believed to be instrumental in achieving this goal. We analyze the implication of the CSR and associated practices in power sector organizations of India and the way their practices are appearing as a strategic device for helping power sector corporations in gaining huge benefit. We believe that the CSR activities of Indian power sector have the potential of achieving sustainable development if early actions are initiated in the recognized regions.

KEYWORDS: Corporate Social Responsibility, Power Sector Companies, Sustainable Growth & Industrial Growth

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INTRODUCTION

Corporate Social Responsibility is emerging as the most strategic component of power sector companies in India. Willful care of society and duty towards the sustainable environment by organizations can be understood as the true meaning of Corporate Social Responsibility.

Fundamentally its' an idea wherein corporate group pick up welfare activities by themselves to add value to a better society and a pure environment. It is a concept wherein corporations coordinate social and environmental issues into their business activities. They also collaborate with their associates on a voluntary basis. It is measured by the expenditure of these organizations on society through funding by its commercial activities. Thus CSR is likewise connected with the stem of sustainability, which contends that ventures must choose alternatives to assemble now not simply in light of economic factors, for example, gains or profits, but additionally in view of the spark off and long-term obligations towards society and ecology, as an outcome of their activities.

The expectations of what businesses ought to be answerable for has modified more and more as the client

consciousness has advanced. With reference to national and worldwide developments, Corporate Social responsibility (CSR) is turning into an increasingly essential aspect of countrywide and transnational policy agendas.

A number of authors and establishments have tried to define Corporate Social Responsibility in the recent times. As put forth by Forbes (2010), “Corporate Social Responsibility works in extraordinary ways”, because the business enterprise offers returns to the society on its own. For this reason, people become extra acquainted with, about the business enterprise that helped them maximum and recall their products and services.

Benoit-Moreau and Parguel (2011), expressed that CSR is business entities, accepting ecological and social objectives and incorporating it into their day to day business activities with their stakeholders. Narayan Murthy, a founder of Infosys, also viewed this as an essential business component. According to him, social responsibility is to make most intense investors value, operating in light of the modern-day situation, in which it is reasonable for each one of its stakeholders, i.e. the specialists, consumers, the institution, government and the environment.

Kotler and Lee (2008) presented CSR as a company’s social obligation, which is a commitment to intensify institution prosperity through optional, business practices and commitment of corporate sources. Company social activities are real exercises usually embraced by using a partnership to assist social reasons and to fulfill company’s social obligations.

So it may be said that there may be no unanimity as to what constitutes Corporate Social duty (CSR). However, what might be taken into consideration is that, most of CSR’s expenditure is used to depict enterprise’ endeavors to perform sustainable outcomes by means of focusing on extremely good commercial enterprise practices and requirements. Ideally, CSR should be the duty of any corporation to pay back for all taken from society and Mother Nature for own prosperity to the so called, triple bottom line of individuals, planet and income.

POWER SECTOR IN INDIA

The power sector is one of the most important division for the foundation of any nation. The existence and persistent improvement of sufficient power infrastructure are fundamental for the managing development of the economy. The accessibility of concrete and modest power is basic for the necessary financial development of our country. Hence it is elementary that the development in Power Sector should commensurate with the GDP development rate of around 8-9 %.

The Indian power sector is amazingly described as one of those sectors where power accessibility has always lingered behind the required amount. India still has near 75 million family units (almost 45% of every provincial family) with no accessibility to power. However, the current power framework is struggling in its endeavors to try and take into account the request of the populace as of now associated with the grid. Given this background, the general objective of any anticipated power policy must be to give (24x7) energy to each and every sector of the nation at sufficient value levels, which is resource efficient and financially sustainable.

India's Power sector is witnessing a turbulent stage and the investors are careful about the difficulties that need to be addressed. It is important for all, to introspect our accomplishments in power generation and resolve the difficulties that the sector is at present confronting. Power is one of those areas of infrastructure where India is lagging behind juxtaposed other developing nations.

Corporate Social responsibility is one of the most important issues concerning current enterprise management and

governmental issues, particularly since the report of the United Nations Global Compact in the year 2000, as an activity, urging organizations worldwide to embrace sustainable and socially dependable strategies. Today, the corporate world looks upon CSR as an opportunity to address societal issues. Private Sector has stood in support of social responsibility and exhibited their help for the Government's initiative regarding, giving more noteworthy economic opportunities to the disadvantaged.

BENEFITS OF CSR TO THE POWER GENERATING COMPANIES

Now, commercial enterprises have realized that CSR is one of the crucial methods wherein an organization can distinguish itself from its competitors and benefit from competitive advantage; some benefits of CSR are as follows:



REVIEW OF LITERATURE

Carroll (1999) suggests that the socially capable organizations must think about financial, legitimate, moral, and willful/altruistic exercises. Further Salmones, Crespo and Bosque (2005) feature three measurements of CSR. They were financial, moral legitimate & generous responsibility. Nonetheless, as indicated by Epstein (2008), CSR must focus on nine territories: morals, administration, straightforwardness, business connections, monetary return, community involvement, object esteem, employment practices and environmental safety.

As indicated by Polonsky and Jevons (2009), a successful CSR project requires huge and careful funding with respect to the employer. Corporations now not simply need to embrace exercises mentally, moreover, they want to see how stakeholders perceive the purpose and the way activities are carried out. Nijhof and Jeurissen (2010) contend that to inculcate CSR in as a natural part of a business, it is necessary to create financial constraints along with an introduction toward the character or aggregate good esteems and to comprise these qualities in decision making. Pioneers ought to think about what moral rules they need to hold up in great and awful circumstances and utilize this true responsibility as an establishment for creating plans of action that are likewise financially feasible.

As per Frederick (1994), the approach to 'company social responsiveness' begun in 1970, which he now calls CSR2. He characterizes corporate social responsiveness as the limit of an enterprise to react to social pressures. He contends that the effect of the transition from CSR1 to CSR2 is contemplated from a philosophical way to address the way

administrative activity of CSR will be addressed by organizations.

Mitra (1996) contemplated the issues and difficulties of Power Sector in India and attempted to organize the difficulties with the goal that different obstacles could be overcome, ahead of schedule. They additionally analyzed the different offices and analyzed them in the context of physical and budgetary accomplishments in the power sector.

Numerous corporations have incorporated, a corporate identity, making use of CSR as a core interest of their commercial enterprise. This has, however, become a point of convergence of their achievement and competitive advantage. Jain (2012) gave an important contribution to understanding the concept of company's social duty and surveyed existing knowledge of accessible gains around there.

Objective of Study

“To study the CSR Practices for the Sustainable Growth of Power Sector Companies”

RESEARCH METHODOLOGY

A qualitative methodology is followed for this study of a dynamic context. The objective of this research is to explore the relationship between CSR and its Sustainable Growth in Power Sector Companies in India.

PROCEDURE FOR DATA COLLECTION

To accomplish the objective of studying company's social obligation as an important tool for Sustainable Growth for power sector the required information was gathered through the convenient sampling method. Data required for this has been amassed from each primary and secondary source.

Primary Data

Primary information includes data gathered through a structured questionnaire filled by the employee of the power sector.

Sampling Unit

Data has been collected from the various power sector companies of India, like NTPC, NPCIL, PGCIL, Reliance Power and Tata Power with 30 respondents each. Thus the total sample for the study is 150.

Secondary Data

The records that are obtained through officially disbursed documents like research paper reports, sites, and books and so forth has been referred in secondary data. Precept fundamental assets of such type of records had been databases of the research institute, libraries, databases of diaries, online examination group's databases which had been modernized. Secondary statistics create the calculated system for the exam.

RELIABILITY FOR DATA COLLECTED

Reliability was checked, by means of Cronbach's alpha (α) wherein a value of more than 0.6 and above is considered to be satisfactory for demonstrating internal consistency.

Table 1: Case Processing Summary for the Employees

Case Processing Summary			
		N	%
Cases	Valid	150	100
	Excluded	00	0.00
	Total	150	100.0
a. List wise deletion based on all variables in the procedure.			

Table 2: Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
0.872	11

From the Table 2, we find that value calculated of Cronbach alpha for data through questionnaire is 0.872, which is a good indication of reliability and internal consistency.

FREQUENCY DISTRIBUTION OF DEMOGRAPHIC PROFILE OF RESPONDENTS

The demographics of the respondents were analyzed to explore the relationship for an inclination towards CSR, if any.

Table 3: Frequency Table Based on Gender of Respondents

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	111	74.0	74.0	74.0
	Female	39	26.0	26.0	100.0
	Total	150	100.0	100.0	

Source: Primary Data

According to Table 3, 111 (74%) of respondents were male & 39 (26%) were female. It represents that power sector possesses few numbers of female employees as compared to male counterparts.

Table 4: Frequency Table of Age

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	86	57.3	57.3	57.3
	25-35	42	28.0	28.0	85.3
	35-45	12	8.0	8.0	93.3
	45-60	8	5.3	5.3	98.7
	>60	2	1.3	1.3	100.0
	Total	150	100.0	100.0	

According to Table 4, Under the Age wise classification out of 150 respondents 86 (57.3%) were of age group 18-25, 42 (28.0%) respondents were of 25-35 age group, 12 (8%) lies in 35-45 age group, 8 (5.3%) falls in 45-60 age group and remaining 2 (1.3%) were above 60 age group. From above statistics, we can say that the power sector comprises of employees mostly from age groups 18-35, with a maximum number of employees with age between 18-25 years.

Table 5: List of Respondents on the Basis of Employment Grade

Employment level					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Grade E	21	14.0	14.0	14.0
	Grade D	44	29.3	29.3	43.3
	Grade C	18	12.0	12.0	55.3
	Grade B	65	43.3	43.3	98.7
	Grade A	2	1.3	1.3	100.0
	Total	150	100.0	100.0	

According to Table 5, respondents were classified on the basis of their employment level grade and results shows that out of the total 150 respondents 21 (14%) were from Grade E, 44 (29.3%) falls under Grade D, 18 (12%) comes under Grade C, 65 (43.3%) were from Grade B and just 2(1.3%) were from Grade A. Thus, most of the respondents fall under category of Grade B.

Table 6: Frequency Table of Residence

Residence					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Town	4	2.7	2.7	2.7
	City	12	8.0	8.0	10.7
	Metro	134	89.3	89.3	100.0
	Total	150	100.0	100.0	

According to Table 6, the place of residence of the respondents was classified according to its size in town, city & metro status and was found that out of the total 150 respondents 4 (2.7%) belong to town, 12 (8%) reside in city and remaining 134 (89.3%) belong to the metro. Thus, most of the respondents were from metros.

To find out the relationship between Corporate Social Responsibility and sustainable growth with special reference to power sector companies in India following hypothesis has been formulated and tested with the aid of one sample statistics and one sample test.

H01: CSR is not a strategic tool for sustainable growth in power sector companies in India.

H11: CSR is a strategic tool for sustainable growth in power sector companies in India.

Table 7: One-Sample Statistics

One-Sample Statistics				
Parameters	N	Mean	Std. Deviation	Std. Error Mean
CSR is a fast and important tool for sustainable growth	150	4.45	.886	.072
Adoption of the CSR activities is really working for society	150	4.07	.682	.056
The power sector companies are working for society development	150	4.14	.905	.074
Company's CSR activities are effective for development of Society	150	3.85	.488	.040
I feel that these CSR activities influenced me to think for societal development	150	3.94	.762	.062
I feel that my Company's CSR activities have affected the society positively	150	3.92	.879	.072
By using these CSR activities my interest in CSR have been increased.	150	4.46	.682	.056
Use of these CSR activities help me to take better decisions and to work for society	150	4.43	.806	.066
After seeing CSR result, the probability of CSR works related to society will be high	150	4.01	1.020	.083
By using CSR activities, I usually motivate my friends to work in those companies	150	3.53	.880	.072
I am likely to revisit the site related to CSR works.	150	3.98	.959	.078

Table 7, pertains to eleven statements used in the questionnaire for the 150 respondents. The highest mean has been accorded to the statement 4.46, wherein, ‘by using these CSR activities my interest in CSR have been increased’ the practice leads to more interest in doing CSR activities. Since the standard deviation is also lowest at 0.682, a lot of convergence in belief is observed. This is a good sign, for sustainability. It also favors the first statement that, ‘CSR is a fast and important tool for sustainable growth’, though the deviation is a little more at 0.886, which implies a little less conviction as compared to the earlier statement. Another statement closer to these two has a mean of 4.43, ‘Use of these CSR activities help me to take better decisions and to work for society’ which implies that the thought of CSR is getting imbibed in one’s thought process.

We need to now focus on the lowest score of 3.53 pertains to, ‘By using CSR activities, I usually motivate my friends to work on those companies’, which means that though CSR is a good activity yet people are not very positive to recommend such companies for employment. The next lowest mean of 3.85 pertaining to, ‘Company's CSR activities are effective for development of Society’ with the lowest deviation of 0.488. This means that the respondents are not very convinced that CSR is really doing well for the society and they strongly feel so. The belief that seeing at the results of one company doing CSR other companies will also follow the path of social welfare varies a lot as the deviation is the highest at 1.020. So we have some respondents very convinced and some poorly convinced about the results. Similar is the case where the respondent’s interest in revisiting the site of CSR was asked and a huge deviation of 0.959 was observed.

Table 8: One-Sample Test

Parameters	One-Sample Test					
	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
CSR is a fast and important tool for sustainable growth	61.439	149	.000	4.447	4.30	4.59
Adoption of the CSR activities is really working for society	73.014	149	.000	4.067	3.96	4.18
The power sector companies are working for society development	56.021	149	.000	4.140	3.99	4.29
Company's CSR activities are effective for development of Society	96.554	149	.000	3.847	3.77	3.93
I feel that these CSR activities influenced me to think for societal development	63.347	149	.000	3.940	3.82	4.06
I feel that my Company's CSR activities have affected the society positively	54.639	149	.000	3.920	3.78	4.06
By using these CSR activities my interest in CSR have been increased.	80.118	149	.000	4.460	4.35	4.57
Use of these CSR activities help me to take better decisions and to work for society	67.300	149	.000	4.427	4.30	4.56
After seeing CSR result, the probability of CSR works related to society will be high	48.113	149	.000	4.007	3.84	4.17
By using CSR activities, I usually motivate my friends to work in those companies	49.187	149	.000	3.533	3.39	3.68
I am likely to revisit the site related to CSR works.	50.846	149	.000	3.980	3.83	4.13

As per Table 8, we observe that all our eleven statements are significant at 0.001 confidence level and we infer that CSR is a fast and important tool for sustainable growth and adoption of the CSR activities is really working for society. The power sector companies’ CSR work has a significant impact on society development and it influences individuals to engage more into it. All these parameters in Table8 show that all significance values are 0.000, which is less than 0.05 (p-value). This means we have to reject the null hypothesis and accept the alternative hypothesis that corporate social responsibility is a strategic tool for sustainable growth in power sector companies in India. Thus, CSR has been

proved to be a successful tool for gaining competitive advantage for power sector companies in India.

Furthermore, for evaluating the significant relationship between the male and female perception about the CSR as a strategic tool for sustainable growth in power sector companies in India, following hypothesis has been formulated and evaluated using test of homogeneity of variances.

H02: There is no significant difference between perceptions based on gender, about 'the CSR as a strategic tool for sustainable growth in power sector companies in India'.

H12: There is a significant difference between perceptions based on gender, about 'the CSR as a strategic tool for sustainable growth in power sector companies in India'.

Table 9: Test of Homogeneity of Variances (Gender)

Test of Homogeneity of Variances			
Gender			
Levene Statistic	df1	df2	Sig.
166.985	2	147	.000

Levene's Test for Equality of Variance is used to check the variance in male and female respondents and it was found to be significant at 0.000 levels.

Table 10: ANOVA (Gender)

ANOVA					
Gender					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.740	2	1.870	10.945	.000
Within Groups	25.120	147	0.171		
Total	28.860	149			

According to Table 10, the significance value of Gender (0.000) is less than 0.05 so we reject the null hypothesis and accept the alternative hypothesis that there is a significant difference between the male and female perception about the corporate social responsibility as a strategic device for sustainable growth in power sector companies in India. This deciphers that both the gender, male and female groups of personals hold different perception regarding the corporate social responsibility as a strategic device for sustainable growth in power sector companies. This may be the reason for standard deviations observed in the usefulness of CSR activities, as one concept of CSR may appeal males and not females or vice versa.

For finding out the significant difference among the various age groups' perception about the corporate social responsibility as a strategic device for sustainable growth in power sector companies in India, following hypothesis has been established:

H03: There is no significant difference among the 'various age groups' perception about the CSR as a strategic tool for sustainable growth in power sector companies in India.

H13: There is a significant difference among the 'various age groups' perception about the CSR as a strategic tool for sustainable growth in power sector companies in India.

Table 11: Test of Homogeneity of Variances (Age)

Test of Homogeneity of Variances			
Age			
Levene Statistic	df1	df2	Sig.
28.390	2	147	.000

Levene's test for Equality of Variance confirms that there is homogeneity of variances observed at a significance level of 0.001.

Table 12: ANOVA (Age)

ANOVA					
Age					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	22.401	2	11.200	15.305	.000
Within Groups	107.573	147	.732		
Total	129.973	149			

According to Table 12, the significant value of Age (0.000) is less than 0.05 so we reject the null hypothesis and accept the alternative hypothesis that there is a significant difference among the various age groups' perception about the corporate social responsibility as a strategic means for sustainable growth in power sector companies in India. This deciphers that all the age groups of respondents, hold different perception regarding the corporate social responsibility as a strategic means for sustainable growth in power sector companies in India.

CONCLUSIONS

The role of Corporate Social Responsibility in the long-term sustainable development of society and the country cannot be denied and it is high time that the companies in the power sector, which have a huge establishment with a large contribution to ecosystem damage, should contribute to the social cause. The respondents working in these companies also expressed that the power sector companies are engaged in a lot of activities, though some are not very convinced with the effectiveness. Some did not feel convinced to refer such companies for employment to their friends, which is not a good sign. Though people already involved felt like doing more for the happiness that such activities provide to an individual.

On exploration, it was found that the conviction in CSR activities varies from social to ecological concerns. The reasons were found in demographics, according to which the perceptions of CSR activity usefulness and attraction varies from male to female. It was also found that different age groups had different concerns and interests related to CSR activities.

The principal aim of this study was to explore CSR as a strategic tool for sustainable growth in power sector companies and it is suggested that the activities need to be expanded, so as to create interest in both the genders spread across different age groups. Therefore, it could better conclude that there is a Corporate Social Responsibility is an effective a Strategic Tool for Sustainable Growth of power sector companies in India. Areas for improvements in these CSR techniques as strategic tool have also been identified.

Thus, CSR holds an important role in the development of the power sector today and can act like an option instrument for sustainable development. As organizations have shown keen interest toward their community and the stakeholders, it can be presumed that a significant part of the destiny of society, now lies in the hands of the corporate. An effectively actualized CSR strategy calls for adjusting these activities to corporate obligations over the business standards

and make CSR sharper, more intelligent and focused on what really matters.

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